



The Senate

State of Iowa
Eighty-fifth General Assembly
STATEHOUSE
Des Moines, IA 50319

September 23, 2013

Honorable Terry Branstad
Iowa Governor
Iowa State Capitol
Des Moines, IA 50319

Charles Palmer
Director
Iowa Department of Human Services
Hoover State Office Building
Des Moines, IA 50319

Dear Governor Branstad and Director Palmer:

The Legislature has worked for many years with state agencies, counties, providers, advocates and consumers to fundamentally transform the mental health and disability services (MHDS) system statewide. The overarching goal has been to establish an MHDS system that efficiently provides equitable access to a consistent set of effective, person-centered services statewide.

Moving from a county-led system to a regional administrative system with significant services and funding reform is a large undertaking. Counties will experience varied impacts due to differing circumstances in each place. This reality is compounded by the fact that we do not have a standardized, audited accounting of non-Medicaid services costs statewide and, thus, forecasting the new system's financial need is challenging. As the redesigned system is implemented, unintended consequences and instances of financial stress are likely to surface.

Recognizing this reality, the Legislature appropriated \$13.0 million to the MHDS Risk Pool last legislative session to address issues that may arise across the state as the new system is implemented. Counties or MHDS regions would only receive consideration for funding if they could demonstrate and document the need for additional financial resources to continue providing effective MHDS per their management plans approved by the Department of Human Services (Department). The first priority for funding was to serve counties that were forced to reduce their MHDS county property tax levy and did not receive equalization funding from the State.

Throughout the MHDS redesign transition, the Legislature has committed to the following goals:

1. MHDS services/programs will not be reduced or closed.
2. MHDS waiting lists will not be expanded.

The persons who utilize these services, along with their families and caretakers, rely on these programs. Any disruption caused by the redesign effort must be minimized. The veto of the \$13.0 million MHDS Risk Pool appropriation has resulted in the closure of at least one facility and has caused many counties to expand waiting lists out of fear that their financial situation is not secure. It is a mistake to believe that there is not a need for additional resources to assist counties through this transition.

REQUEST

With this background in mind, we call on the Governor's Office and Department to do the following as soon as possible:

1. Work with the Risk Pool Board and the Iowa State Association of Counties to determine an appropriate process and guidelines to solicit applications from counties to identify documented, need-based financial assistance to maintain MHDS services per approved county management plans through FY 2014.
2. Account for all remaining MHDS Risk Pool funds that are not otherwise encumbered to make available to address the need identified in action #1 above.
3. Identify any funds controlled by the Department that could be reallocated to address MHDS transition needs without jeopardizing other Department services.
4. Additionally, we request bipartisan support from legislative leaders and the Governor to appropriate funding in January necessary to address any remaining need identified in action #1 above, including funding to support residential care facilities and services for the chronically mentally ill.

We look forward to your response to this important matter.

Sincerely,

Senator Jack Hatch (D-Des Moines)

Senator Brad Zaun (R-Urbandale)

Senator Rob Hogg (D-Cedar Rapids)

Senator Wally Horn (D-Cedar Rapids)

Senator Liz Mathis (D-Robins)